

## Federal Financial Institutions Examination Council

---



---

3501 Fairfax Drive, Room B7081a, Arlington, VA 22226-3550 – (703) 516-5588 – FAX (703) 562-6446 – <http://www.ffiec.gov>

## Press Release

For Immediate Release

September 22, 2011

### **Federal Financial Institution Regulators Announce Availability of 2010 Data on Mortgage Lending**

The Federal Financial Institutions Examination Council (FFIEC)<sup>1</sup> today announced the availability of data on mortgage lending transactions at 7,923 U.S. financial institutions covered by the Home Mortgage Disclosure Act (HMDA). Covered institutions include banks, savings associations, credit unions, and mortgage companies. The HMDA data made available today cover 2010 lending activity—applications, originations, purchases of loans, denials, and other actions such as incomplete or withdrawn applications.

The data being released today include disclosure statements for each financial institution, aggregate data for each metropolitan statistical area (MSA), nationwide summary statistics regarding lending patterns, and Loan/Application Registers (LARs) for each financial institution (LARs modified to help ensure borrower privacy). The FFIEC prepares and distributes this information on behalf of its member agencies (Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau) and the Department of Housing and Urban Development.

The 2010 data include information on 12.9 million home loan applications (of which nearly 8 million resulted in loan originations) and 3.2 million loan purchases, for a total of about 16.2 million actions. The data also include information on 165,000 requests for preapprovals that did not result in a loan origination.

(more)

---

<sup>1</sup> The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has six voting members: a Governor of the Board of Governors of the Federal Reserve System designated by the Chairman of the Board, the Chairman of the Federal Deposit Insurance Corporation, the Chairman of the Board of the National Credit Union Administration, the Comptroller of the Currency, the Director of the Consumer Financial Protection Bureau, and the Chairman of the State Liaison Committee. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.

The number of reporting institutions fell 2 percent from 2009, attributable to a relatively large decline (about 7 percent from 2009) in the number of mortgage companies reporting data. The total number of originated loans of all types and purposes reported decreased by about 1.1 million, or 12 percent, from 2009, in part because of a 14 percent decline in the number of refinancings.

The HMDA data show the disposition of loan applications and include information on loan type (such as conventional or Federal Housing Administration [FHA]), purpose (home purchase, home improvement, or refinancing), and amount; property type (1- to 4-family, multifamily, or manufactured housing); property location (MSA, state, county, and census tract); applicant characteristics (race, ethnicity, sex, and income); and census tract characteristics (minority composition and income). The data also show whether a loan is subject to the Home Ownership and Equity Protection Act and if a loan is secured by a first or subordinate lien, or is unsecured. In addition, the data provide information on higher-priced lending.

The rules used to determine whether a loan is classified as higher-priced under HMDA were changed in 2008. The new rules took effect for applications taken beginning October 1, 2009. For applications taken prior to that date, lenders reported the spread between a loan's annual percentage rate (APR) and the yield on comparable-maturity Treasury securities if it exceeded specified thresholds. For applications taken on or after that date, lenders also reported spreads for loans that exceeded specified thresholds, but the spread was measured as the difference between the APR on the loan and the estimated APR (termed the "average prime offer rate" or APOR) for loans extended to prime borrowers based on the rates reported by Freddie Mac in its *Primary Mortgage Market Survey*® (PMMS)<sup>2</sup>. The specified thresholds under the revised price reporting rule are 1.5 percentage points above the PMMS rate for first lien loans and 3.5 percentage points for junior lien loans. The 2010 data reflect the first full year of data reported under the revised loan pricing rules. More information about HMDA data reporting requirements is available in the Frequently Asked Questions on the FFIEC website at <http://www.ffiec.gov/hmda/faq.htm>.

With respect to loan pricing, the 2010 data on the incidence of higher-priced lending show a small minority of loans (3.2 percent) have APRs that exceeded the loan price reporting thresholds. For example, for conventional first lien loans used to purchase site-built properties, about 3.3 percent exceeded the reporting threshold. For similar government-backed loans, about 1.3 percent exceeded the loan price reporting threshold. The principal exception to the low incidence of higher-priced lending is that 80 percent of first lien loans used to purchase manufactured homes exceeded the reporting threshold in 2010. The incidence of higher-priced

(more)

---

<sup>2</sup> Freddie Mac's weekly PMMS reports the average contract rates and points for all loans and the margin for adjustable-rate loans for loans offered to prime borrowers (those that pose the lowest credit risk). The survey currently reports information for two fixed-rate mortgage products (30-year and 15-year loans) and two ARM products (one-year adjustable rate and five-year adjustable rate loans). See [www.freddie.com/dlink/html/PMMS/display/PMMSOutputYr.jsp](http://www.freddie.com/dlink/html/PMMS/display/PMMSOutputYr.jsp).

lending reported in the 2010 HMDA data varies some across racial and ethnic groups, although the absolute levels of such higher-priced lending are notably lower for all groups than during the period preceding the implementation of the new classification rule.

The HMDA data reflect a continued heavy reliance on loans backed by FHA insurance that began with the emergence of the recent mortgage market difficulties. For home purchase lending, the FHA's share of first-lien loans increased from 7 percent in 2007 to 37 percent in 2009 and 36 percent in 2010. First-lien lending for home purchases backed by Veterans Administration (VA) guarantees also has increased markedly, although VA-backed lending is much smaller in scope than FHA-backed lending. The VA market share of first-lien home purchase loans increased from 2.7 percent in 2007 to 6.7 percent in 2009 and 7.0 percent in 2010.

Regarding the disposition of applications for conventional home-purchase loans in 2010, blacks and Hispanic whites had notably higher gross denial rates than non-Hispanic whites. The pattern for Asians was somewhat different, as their gross denial rate was slightly lower than the corresponding gross denial rates for non-Hispanic whites. These relationships are similar to those found in earlier years.

The HMDA data can facilitate the fair lending examination and enforcement process and promote market transparency. When federal banking agency examiners evaluate an institution's fair lending risk, they analyze HMDA data in conjunction with other information and risk factors, in accordance with the Interagency Fair Lending Examination Procedures (<http://www.ffiec.gov/PDF/fairlend.pdf>). Risk factors for pricing discrimination include, but are not limited to, the relationship between loan pricing and compensation of loan officers or mortgage brokers, the presence of broad pricing discretion, and consumer complaints.

The HMDA data alone cannot be used to determine whether a lender is complying with fair lending laws. They do not include many potential determinants of creditworthiness and loan pricing, such as the borrower's credit history, debt-to-income ratio, and the loan-to-value ratio. Therefore, when the federal banking agencies conduct fair lending examinations, including ones involving loan pricing, they analyze additional information before reaching a determination regarding institutions' compliance with fair lending laws.

Financial institution disclosure statements, individual institution's LAR data, and MSA and nationwide aggregate reports are available at <http://www.ffiec.gov/hmda>. Refer to the HMDA data products at <http://www.ffiec.gov/hmda/hmdaproducts.htm> for the item descriptions and formats.

Financial institutions are required to make their disclosure statements available at their home offices. For other MSAs in which financial institutions have offices, an institution must either make the disclosure statement available at one branch within each MSA or provide a copy upon

(more)

receiving a written request. Questions about a HMDA report for a specific institution should be directed to the institution's supervisory agency at the number listed below.

Federal Deposit Insurance Corporation — 877-275-3342; hearing impaired — 800-925-4618  
Board of Governors of the Federal Reserve System, HMDA Assistance Line — 202-452-2016  
National Credit Union Administration, Office of Consumer Protection — 703-518-1140  
Office of the Comptroller of the Currency, Compliance Policy Division — 202-874-4428  
Consumer Financial Protection Bureau — 202-435-7000  
Department of Housing and Urban Development, Office of Housing — 202-402-7540

### **Data on Private Mortgage Insurance**

The FFIEC also provides data from the nation's seven private mortgage insurance companies. The 2010 private mortgage insurance data include information on approximately 370,000 applications for mortgage insurance, comprised of about 222,000 applications to insure home purchase mortgages, and about 148,000 applications to insure mortgages to refinance existing obligations. These data also are available today—at individual private mortgage insurance companies and from the FFIEC (<http://www.ffiec.gov/reports.htm>) —in the same types of reports and formats as the HMDA data.

# # #

#### Media Contacts:

Federal Reserve	Susan Stawick	(202) 452-2955
FDIC	Greg Hernandez	(202) 898-6984
NCUA	David Small	(703) 518-6336
OCC	Dean DeBuck	(202) 874-5770
CFPB	Jen Howard	(202) 435-7454
HUD	Brian Sullivan	(202) 402-7527
SLC	Catherine Woody	(202) 728-5733